

May 18th, 2023

Senator Mark Lawrence, Senate Chair
Representative Paige Zeigler, House Chair
Joint Standing Committee on Energy, Utilities, and Technology
100 State House Station
Augusta, Maine 04333

RE: MSCC testimony in opposition to L.D. 1895, An Act Regarding the Procurement of Energy from Offshore Wind Resources

Senator Lawrence, Representative Zeigler, and members of the Energy, Utilities, and Technology Committee

My name is Ben Lucas, I live in Portland, and I represent the Maine State Chamber of Commerce. The Chamber is the voice of Maine business, speaking for approximately 5,000 Maine businesses of all sizes throughout the State. The Maine State Chamber of Commerce is testifying in opposition to L D 1895.

First, over the last two years, the Chamber has been very active in policy conversations as it pertains to offshore wind development in Maine. We have been pleased to serve on Governor Mills' Offshore Wind Advisory Committee and appreciate the Governor for convening a group of diverse stakeholders. The Chamber supports responsible and cost-effective offshore wind development in the Gulf of Maine for the economic, environmental, and energy benefits it will provide to our state. This is why we were disappointed to not be involved in the drafting of the legislation before you today. The Chamber's membership can provide a valuable set of perspectives to help shape the creation of a brand-new industry that will ideally allow us to build more clean energy and help reduce ratepayers' exposure to price swings.

As it pertains to L D 1895 – I want to be clear, the Chamber does support a procurement for offshore wind, and we believe this legislation offers a critical first step to develop a strong procurement process that sends a strong signal to investors that Maine is committed to developing offshore wind off our coasts. We are very fortunate to have a world class wind resource and through this natural resource advantage we can turn it into an economic engine by generating Maine-made clean energy. Our biggest areas of concern and opposition can be found in other aspects of the legislation and most notably the effective mandate of project labor agreements.

L D 1895 requires any offshore wind procurement to have a project labor agreement to construct the turbines and for continued operation a peace agreement must be in place. This would have an extremely negative impact on our economy and will not help us cost effectively achieve our offshore wind goals. If this legislation were to pass, it would intentionally exclude many Maine-based contractors. Right now, we have Maine-based open

shop contractors who are engaged in offshore wind work across the entire country. If Maine is shifting to develop offshore wind, we believe it would be in the best interest of the state to make sure that work is available to be bid upon by all companies – union and non-union – and that ultimately the work is going to Maine-based companies and Maine based jobs. We have seen the tremendous investment and employment potential of onshore wind realized in Maine, and it is important to remember that 100% of onshore wind work has been done by Maine-based companies, and that union and non-union workers have played critical roles in building these projects. To maximize competitive bids to keep costs low and to help tap into the global experience of our construction workforce, we believe those same companies who have proven they can do this work should have the ability to bid to continue to do so.

One of the issues now facing us as a state, and one that is common across the country, is the need to develop the workforce to meet these workforce demands of offshore wind. Instead of looking at policies that will limit who can participate and giving preference to out-of-state contractors - we must implement policies that look at expanding and trying to attract more people into this field. The labor requirements in LD 1895 take us in the wrong direction in trying to meet the workforce demands and will have the consequence of bringing in out of state workers when Maine workers don't meet the requirements outlined in this legislation.

Furthermore, in addition to the workforce requirements – there are additional requirements in L D 1895 – that will drive up the price of these projects, which will eventually be borne by our ratepayers. As often happens with nascent technologies, it is reasonable to conclude the first offshore wind projects will likely be above market price. While there are long term benefits from offshore wind, the cost in the short term for construction, building, transmission, grid updates, etc. will be high. We fear that if the costs associated with building these projects are too high, we will price ourselves out of the marketplace and miss out on the potential job opportunities offshore wind creates. For a regional perspective, Massachusetts is looking at about 7 cent a kilowatt-hour for their offshore wind projects, which are quite different than what we envision here regarding floating turbines. So, if we want to be competitive with the region, we need to be smart about how we are enacting offshore wind policy otherwise investors might look elsewhere, and we will miss out on significant economic development and job creation.

In closing, the Chamber remains committed to supporting responsible offshore wind in Maine. I have attached to my testimony a copy of an op-ed from former Maine State Chamber of Commerce President and CEO which highlights the benefits we believe come from offshore wind if it is done in the right way. We would ask the committee to reject LD 1895. The Chamber remains committed to working with all stakeholders to develop legislation that works for everyone.

Sincerely,
Benjamin R. Lucas
Senior Government Relations Specialist
Maine State Chamber of Commerce
Email blucas@mainechamber.org

Commentary: Offshore wind is Maine's opportunity of a century

[pressherald.com/2023/03/01/commentary-offshore-wind-is-maines-opportunity-of-a-century/](https://www.pressherald.com/2023/03/01/commentary-offshore-wind-is-maines-opportunity-of-a-century/)

By Dana Connors

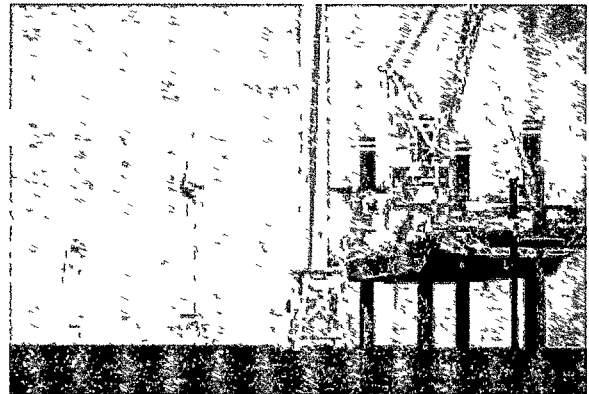
March 2, 2023

For nearly 30 years, I have had the privilege of serving as president of the Maine State Chamber of Commerce. I've worked with thousands of Maine businesses and thousands of local industry leaders to improve prosperity for all Maine people. Our common goals have been to strengthen and grow our economy, to build enthusiasm for Maine entrepreneurship and ingenuity, to collaborate and problem-solve in overcoming challenges and to create opportunities for our young people, veterans and all Mainers to have good-paying jobs right here in the state they call home.

As I prepare to pass the torch, I want to highlight an incredible economic opportunity that uniquely combines all the goals we've advanced as business advocates: Maine-made offshore wind.

Offshore wind research and development in Maine started more than 15 years ago as a response to the critical challenges of climate change and overreliance on fossil fuels burdening Maine businesses and communities. Researchers at the University of Maine wanted to find a way to locally produce renewable energy that would preserve Maine's environment and protect Mainers from the volatile price spikes caused by dependence on heating oil and natural gas.

The result of UMaine's foresight and innovation is VoltturnUS, patented floating offshore wind technology designed to be built in Maine by Maine workers. This Maine-made technology presents the opportunity of a century for Maine, and it's been guided by more than a decade of collaboration among a diverse group of stakeholders including environmental, labor and business groups, scientists, energy and marine experts, and local and state



A lift boat, right, that serves as a work platform assembles a wind turbine off Block Island, R.I., in 2021. The Maine Research Array, an offshore wind initiative, will cultivate a manufacturing industry that is expected to bring over \$375 million in direct construction spending to Maine and create an estimated 3,250 good-paying jobs for Maine people. *Michael Dwyer/Associated Press, File*

ABOUT THE AUTHOR

Dana Connors is president of the Maine State Chamber of Commerce.

government officials In my 30 years at the Maine Chamber, I've rarely seen as many different groups and interests come together in agreement on a policy or issue as much as they have united on Maine-made offshore wind

The common thread in this broad, enthusiastic support for Maine-made offshore wind is a commitment to the state of Maine's responsible, science-based approach Maine believes that offshore wind must coexist with all traditional ocean users, especially our iconic lobster and fishing communities The Maine Research Array advances this purpose and vision It's a small-scale, research-focused offshore wind initiative that optimizes economic and environmental benefits of offshore wind while protecting the ecosystem and heritage industries of the Gulf of Maine

Using UMaine's patented VoltturnUS floating offshore wind technology, the Maine Research Array will commercialize local innovation and put Maine at the forefront of a \$1 trillion global industry It will also cultivate a thriving new Maine manufacturing industry comparable to the shipbuilding and paper industries that put Maine in a position of prominence in the 19th and 20th centuries Maine-made offshore wind is our answer for the 21st century

The Maine Research Array is expected to bring more than \$375 million in direct construction spending to Maine and generate more than \$1 billion in economic activity for the state It will create an estimated 3,250 direct, good-paying jobs for Maine people, as well as workforce training and apprenticeship programs to build our future workforce The project will produce clean, renewable energy for nearly 100,000 Maine homes and businesses, and will remove more than 985 million pounds of harmful carbon dioxide from the atmosphere

The large amounts of renewable power generated by the Maine Research Array will allow Maine to achieve its climate goals at the lowest cost – working with solar and onshore wind – and protect Maine people and businesses from the volatile price spikes of fossil fuels These economic, energy and environmental benefits are monumental, and because of the state of Maine's prudent, science-based approach to offshore wind development, we can achieve all these benefits while minimizing potential impacts to the ecosystem and wildlife and maximizing coexistence with our vital fishing industry

Three principles have guided my three decades of work as Maine's business advocate Listening, common sense and consensus building Throughout Maine's 15-year history of offshore wind research and development, all three of these values have been front and center Our approach is an innovative, inspired example of Mainers coming together and solving problems thoughtfully and constructively Maine-made offshore wind, built by Maine workers, for the benefit of all Maine people, is something we can be tremendously proud of It's a win-win-win for Maine

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